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RUEHAK/AMEMBASSY ANKARA PRIORITY 0148  
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RUEHLO/AMEMBASSY LONDON PRIORITY 0484  
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C O N F I D E N T I A L SECTION 01 OF 03 KUALA LUMPUR 000858

SIPDIS

FOR EAP AND INR

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [KDEM](#) [MY](#)  
SUBJECT: ENDGAME FOR ABDULLAH

REF: A. KUALA LUMPUR 847 - PM REGROUPS  
[1](#)B. KUALA LUMPUR 833 - SEPT 18 SETBACK  
[1](#)C. KUALA LUMPUR 821 - ABDULLAH TAKES DEFENSE MINISTRY  
[1](#)D. KUALA LUMPUR 815 - SEPT 16 ANTI-CLIMAX  
[1](#)E. KUALA LUMPUR 810 - UPROAR OVER ISA

Classified By: Political Section Chief Mark D. Clark for reasons 1.4 (b and d).

SUMMARY AND COMMENT  
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[1](#)1. (C) An emergency leadership meeting of the ruling United Malay National Organization (UMNO) on September 26 seemingly spelled out the endgame for embattled party leader and Prime Minister Abdullah Badawi. The UMNO Supreme Council postponed party elections from December to March 2009, but apparently with the understanding that Abdullah does not seek reelection. Abdullah, who as recently as few days ago had insisted on remaining in place through 2010, told the press he would announce his decision on whether to contest the next election by October 9, the date when UMNO division elections begin. However, a number of participants in the meeting such as UMNO VP Muhyiddin Yassin indicated March was the firm deadline for Abdullah's departure. UMNO veteran Tengku Razaleigh, who aspires to win the party presidency, attacked UMNO's continued focus on "transition" rather than election, while opposition leaders, like Anwar Ibrahim, focused criticism on UMNO's unreformed personality politics.

[1](#)2. (C) Comment: This appears to us as the endgame for Prime Minister Abdullah; we expect Abdullah to announce he will not seek reelection as party president. While a deal -- yet to be officially confirmed -- seems to be struck for Abdullah's exit in March 2009, an earlier departure cannot be ruled out for the unpopular party president. It is too early to conclude that the UMNO leadership struggle is over, as intense politicking will continue to play out at least through the UMNO divisional elections. The political situation remains fluid and UMNO's house far from settled. Those who appear to lose from the deal include Tengku Razaleigh and Abdullah's ambitious son-in-law Khairy Jamaluddin. By itself, we do not believe this emerging outcome lessens the risk that UMNO invokes harsh measures, like arrests under the Internal Security Act, against Anwar Ibrahim and the opposition. Abdullah's de facto transition to Najib would mean that Malaysia could be represented by either leader at upcoming summits, such as APEC and ASEAN. Given the approaching Muslim holidays, October 1-2, and with most politicians headed home to their respective states, next week should be relatively quiet absent any bombshells from Anwar Ibrahim, but the UMNO political game will pick up again

the week of October 6. End Summary and Comment.

#### TRouble BREWING

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¶3. (SBU) Days of intense internal politicking preceded the September 26 UMNO Supreme Council meeting. Early in the week, Abdullah consulted with party leaders in the key states of Johor and Selangor to rally support for his 2010 transition plan, but failed to garner their backing. Deputy Prime Minister Najib, PM Abdullah's would-be successor, unexpectedly canceled his trip to the U.S. late on September 24, where he was to represent Malaysia at the UN General Assembly. Instead of flying to New York, Najib chaired a hastily-called meeting of UMNO management committee, including leaders pushing for Abdullah's early removal such as UMNO VP Muhyiddin Yassin and Women's chief Rafidah Aziz. The following day Abdullah and Najib met in a four-eyes meeting that lasted several hours. After their meeting, word leaked out of a special UMNO Supreme Council meeting called for September 26 and intended to discuss, again, Abdullah's plans to step down in favor of Najib in June 2010. (Comment: A heated Supreme Council meeting on September 18 failed to endorse the transition and featured calls for Abdullah to step down, ref B. End Comment.)

#### RUMORS THAT TRANSITION CUT SHORT

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¶4. (U) Rumors circulated prior to today's meeting that Abdullah would be forced to cut short his transition by one

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year, namely to June 2009, and that UMNO would delay the party elections until that time, a postponement of six months from their original December 2008 schedule. Abdullah and Najib spoke again privately for 30 minutes before the start of today's emergency session. The Supreme Council then met behind closed doors for some two hours.

#### PARTY ELECTION SHIFTED TO MARCH, ABDULLAH APPEARS "LOST"

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¶5. (C) In a press encounter immediately following the meeting, Abdullah "appeared lost" as he announced that the UMNO general assembly meeting and election would be deferred from December 2008 until March 2009, according to our contact on the scene. When asked for the reason for the three-month delay, Abdullah hesitated and turned to Najib (seated next to the Prime Minister), who whispered to Abdullah, "to facilitate the transition," and the PM repeated Najib's words, per the first-hand account of our source. Regarding his plan to transfer power to Najib in 2010, Abdullah reportedly said, "If we want to make it before 2010, it is not an issue." As to whether Abdullah would seek reelection, the Prime Minister replied that he would announce his decision by October 9, the start date for the UMNO division elections (which elect delegates for the national party polls; the UMNO meeting affirmed the original schedule for the division polls).

¶6. (C) The Embassy source at the press event told us that UMNO VP Muhyiddin appeared confident at the scene of the Supreme Council meeting. Muhyiddin reportedly walked into the meeting room with a copy of the UMNO constitution in his hand. Our contact suspected that Muhyiddin had argued that based on the party constitution the UMNO election could not be postponed beyond March. (Comment: We share in this interpretation of the UMNO constitution, which requires an election no later than four and one half years after the preceding election. UMNO's last party poll was in September 2004. End Comment.)

#### MUHYIDDIN, OTHERS SUGGEST MARCH DEADLINE

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¶7. (U) UMNO leaders began to put their spin on the results of the Supreme Council meeting. Muhyiddin, one of the most outspoken proponents of Abdullah's early exit, stated that the postponement of the party elections until next March is tantamount to setting a new date for Abdullah to step down: "It was earlier decided 2010 (for Abdullah to hand over to Najib), but at today's meeting the president and deputy president indicated that the postponement from December to March is to facilitate earlier transition.... As far as I am concerned, maybe a new deadline has been set, but let the president make the announcement." Some other participants in the meeting echoed Muhyiddin's theme and tone, including Women's chief Rafidah Aziz, who said, "It (the Supreme Council decision) is to facilitate an earlier transition, so take it as that." The official news agency Bernama reported that Najib called the postponement of the UMNO elections a "wise move" in line with the wishes of the party's grassroots.

RAZALEIGH LASHES OUT  
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¶8. (SBU) Prominent UMNO veteran leader Tengku Razaleigh Hamzah, who is not Supreme Council member, took a different view and lashed out at the party's developments, which, he wrote, showed Malaysia to be a "banana republic." Razaleigh described the talk of "transition" as "designed to save two individuals (Najib and, possibly, Muhyiddin) from the inconvenience of facing elections. Their personal careers appear to be more important than the future of the nation." (Comment: Razaleigh aspires to be elected UMNO president and stands to lose if the party pre-selects Najib and possibly Muhyiddin to win the contest. End Comment.)

ANWAR AND OPPOSITION SWIPES AT UMNO  
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¶9. (SBU) Opposition leader Anwar Ibrahim traveled to Hong Kong and delivered the keynote address at an investors conference on the U.S. financial turmoil and prospects for

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ASEAN economies. Speaking on September 26 on the margins of the conference, Anwar used news of the UMNO meeting to take swipes at the ruling party: "They (UMNO) have lost the mandate of the people." He added that, "The issue is not Abdullah or his deputy," but a transfer of power to his opposition coalition. Prominent opposition politician Lim Kit Siang called the UMNO meeting a "coup d'etat" against Abdullah, and questioned whether the Prime Minister would last another six months. Immediate Internet media commentary described the UMNO decision as a blow to Abdullah, setting the stage for the Prime Minister's exit in March 2009.  
KEITH